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STATE OF MONTANA
MONTANA COAL BOARD
DEPARTMENT OF COMMERCE
AUDIT OF COAL BOARD GRANTS
FOR THE YEAR ENDED JUNE 30, 1994
AND CERTAIN OTHER GRANT PERIODS
THROUGH NOVEMBER 30, 1994
CONDUCTED UNDER CONTRACT BY
KNAUB & COMPANY, P.C.

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STATE OF MONTANA

MONTANA COAL BOARD

DEPARTMENT OF COMMERCE

AUDIT OF COAL BOARD GRANTS

FOR THE YEAR ENDED JUNE 30, 1994

AND CERTAIN OTHER GRANT PERIODS

THROUGH NOVEMBER 30, 1994

CONDUCTED UNDER CONTRACT BY

KNAUB & COMPANY, P.C.

STATE OF MONTANA

Office of the Legislative Auditor

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DEPUTY LEGISLATIVE AUDITORS:
MARY BRYSON
Operations and EDP Audit
JAMES GILLETT
Financial-Compliance Audit
JIM PELLEGRINI
Performance Audit

June 1995

The Legislative Audit Committee
of the Montana state legislature:

Enclosed is the report on the audit of the Montana Coal Board subgrants for the fiscal year ended June 30, 1994.

The audit was conducted by Knaub and Company, P.C. under a contract between the firm and our office. The comments and recommendations contained in this report represent the views of the firm and not necessarily the Legislative Auditor.

The agencies' written responses to the report recommendations are included in the back of the audit report.

Respectfully submitted,

Scott A. Seacat
Legislative Auditor

94C-08.1

MONTANA COAL BOARD

AUDIT OF COAL BOARD GRANTS

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MONTANA COAL BOARD

AUDIT OF COAL BOARD GRANTS

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MONTANA COAL BOARD

APPOINTIVE OFFICIALS

JUNE 30, 1994

Name	Location of Residence	Term Expires
Alan D. Evans	Roundup, MT	01/02/97
G. C. Feda	Glasgow, MT	01/02/97
Roger Knapp	Hysham, MT	01/02/97
James Royan	Missoula, MT	01/02/97
Haley Beaudry	Butte, MT	01/01/99
Linda Price	Lewistown, MT	01/01/99
Jan Riebhoff	Belgrade, MT	01/01/99

ADMINISTRATIVE OFFICIALS - JUNE 30, 1994

Murdo A. Campbell	Administrative Officer
Richard M. Weddle	Legal Counsel

MONTANA COAL BOARD

BACKGROUND

JUNE 30, 1994

The Montana Coal Board was established in 1975 by the Montana Legislature to award grants to locals governmental units and state agencies ". . . in meeting the local impact of coal development by enabling them to adequately provide governmental services and facilities which are needed as a direct consequence of coal development." (Sec. 90-6-205, MCA)

The Coal Board is composed of seven members, two of whom are residents of coal-impacted areas, two with expertise in education, and three from such fields as business, engineering, public administration, and planning.

Coal Board grants are funded by 6.65% of the Coal Severance Tax revenue paid into the local impact fund. This audit covers grants totalling $1,769,466.

The administrative staff of the Coal Board, assigned to the Department of Commerce for administrative purposes, is composed of an administrative officer, legal counsel and a Board secretary.

MONTANA COAL BOARD

AUDIT OBJECTIVES

JUNE 30, 1994

(1) To conduct a financial-compliance audit of the Montana Coal Board grants administered by the Department of Commerce as detailed in Schedule A of the bidders information.

(2) To determine if the grantees' financial statements present fairly the grant revenues and expenditures/expenses.

(3) To review the grantees' compliance with applicable laws and regulations in administering the grants.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0338 Yellowstone County/Court Computer Supplement for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Yellowstone County pursuant to Grant No. 0338 between Yellowstone County, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Yellowstone County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Yellowstone County pursuant to Montana Coal Board Grant No. 0338 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 1, 1995

MONTANA COAL BOARD
YELLOWSTONE COUNTY
COURT COMPUTER SUPPLEMENT
GRANT NO. 0338
CAPITAL PROJECT FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 31,939
EXPENDITURES	
Capital outlay	31,939
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
YELLOWSTONE COUNTY
COURT COMPUTER SUPPLEMENT
GRANT NO. 0338
CAPITAL PROJECT FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Capital Project Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
YELLOWSTONE COUNTY
COURT COMPUTER SUPPLEMENT
GRANT NO. 0338
CAPITAL PROJECT FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds to automate the case management and record keeping functions in the Courts and County Attorney's office in the 13th Judicial District.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by September 30, 1993.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements as of June 30, 1994.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0345 Rosebud County/Highway 39 Improvements for the sixteen month period ended October 31, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Rosebud County pursuant to Grant No. 0345 between Rosebud County, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Rosebud County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Rosebud County pursuant to Montana Coal Board Grant No. 0345 for the sixteen month period ended October 31, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 2, 1995

MONTANA COAL BOARD
ROSEBUD COUNTY
HIGHWAY 39 IMPROVEMENTS
GRANT NO. 0345
SPECIAL REVENUE FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE SIXTEEN MONTH PERIOD ENDED OCTOBER 31, 1994

REVENUE	
Montana Coal Board Grant	$ 80,000
EXPENDITURES	
Capital outlay	80,000
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
ROSEBUD COUNTY
HIGHWAY 39 IMPROVEMENTS
GRANT NO. 0345
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
OCTOBER 31, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Special Revenue Fund: A governmental fund type used to account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
ROSEBUD COUNTY
HIGHWAY 39 IMPROVEMENTS
GRANT NO. 0345
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
OCTOBER 31, 1994

2. PURPOSE OF GRANT

This grant provides funds to widen and add turn lanes on Highway 39 at the Pine Butte Drive and Castle Rock Road intersections leading to the Western Energy mines and headquarters.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by June 30, 1994.

(3) Submission of quarterly status and construction reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The project was not completed by the deadline required in the grant document. The grantee was in compliance with all other significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0347 Lower Musselshell Conservation District/Groundwater Monitoring for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Rosebud County pursuant to Grant No. 0347 between Lower Musselshell Conservation District, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Lower Musselshell Conservation District's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Lower Musselshell Conservation District pursuant to Montana Coal Board Grant No. 0347 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 9, 1995

MONTANA COAL BOARD
LOWER MUSSELSHELL CONSERVATION DISTRICT
GROUNDWATER MONITORING
GRANT NO. 0347
GENERAL FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 16,166
EXPENDITURES	
Administration, equipment and contract services	16,166
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
LOWER MUSSELSHELL CONSERVATION DISTRICT
GROUNDWATER MONITORING
GRANT NO. 0347
GENERAL FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

General Fund: A governmental fund type that is the entity's only operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
LOWER MUSSELSHELL CONSERVATION DISTRICT
GROUNDWATER MONITORING
GRANT NO. 0347
GENERAL FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds to support a two-year groundwater monitoring program to document hydrologic changes associated with Meridian Minerals Bull Mountain Mine south of Roundup, MT.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by October 31, 1995.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The quarterly status reports required by the grant were all submitted late to the Coal Board Administrator. The grantee was in compliance with all other significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0357 Yellowstone County/Youth Detention Center Expansion for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Yellowstone County pursuant to Grant No. 0357 between Yellowstone County, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Yellowstone County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Yellowstone County pursuant to Montana Coal Board Grant No. 0357 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 1, 1995

MONTANA COAL BOARD
YELLOWSTONE COUNTY
YOUTH DETENTION CENTER EXPANSION
GRANT NO. 0357
CAPITAL PROJECT FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 296,250
EXPENDITURES	
Capital outlay	296,250
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
YELLOWSTONE COUNTY
YOUTH DETENTION CENTER EXPANSION
GRANT NO. 0357
CAPITAL PROJECT FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Capital Project Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
YELLOWSTONE COUNTY
YOUTH DETENTION CENTER EXPANSION
GRANT NO. 0357
CAPITAL PROJECT FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds for the expansion of the current Youth Secure Detention Facility from four cells to eight cells in Billings, MT.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by June 30, 1994.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0358 Rosebud County/Dual County Landfill for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Rosebud County pursuant to Grant No. 0358 between Rosebud County, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Rosebud County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Rosebud County pursuant to Montana Coal Board Grant No. 0358 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 2, 1995

MONTANA COAL BOARD
ROSEBUD COUNTY
DUAL COUNTY LANDFILL
GRANT NO. 0358
SPECIAL REVENUE FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 15,538
EXPENDITURES	
Engineering expenditures	15,538
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
ROSEBUD COUNTY
DUAL COUNTY LANDFILL
GRANT NO. 0358
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Special Revenue Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
ROSEBUD COUNTY
DUAL COUNTY LANDFILL
GRANT NO. 0358
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds to construct a solid waste landfill near Colstrip to accommodate Rosebud and Treasure Counties and the Northern Cheyenne Reservation.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by June 30, 1995.

(3) Submission of quarterly status and construction reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee submitted one of the four required status reports nineteen days late. It was due July 31, 1994 but wasn't received until August 19, 1994. The grantee was in compliance with all other significant grant requirements.

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Knaub & Company, P.C.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of revenues and expenses-grant basis of the Montana Coal Board Grant No. 0361 City of Hardin/Solid Waste Collections System for the year ended June 30, 1994. This statement of revenues and expenses-grant basis is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of revenues and expenses-grant basis based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenses is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of revenues and expenses-grant basis. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenses of the City of Hardin pursuant to Grant No. 0361 between the City of Hardin, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of the City of Hardin's revenues and expenses.

In our opinion, the accompanying statement of revenues and expenses -grant basis presents fairly, in all material respects, the grant revenues and expenses of the City of Hardin pursuant to Montana Coal Board Grant No. 0361 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 2, 1995

MONTANA COAL BOARD
CITY OF HARDIN
SOLID WASTE COLLECTIONS SYSTEM
GRANT NO. 0361
ENTERPRISE FUND
STATEMENT OF REVENUE AND EXPENSES-GRANT BASIS
FOR THE YEAR ENDED JUNE 30, 1994

NON-OPERATING REVENUE	
Montana Coal Board Grant	$ 50,000
EXPENSES	
Capital outlay	50,000
EXCESS EXPENSES OVER NON-OPERATING REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
CITY OF HARDIN
SOLID WASTE COLLECTIONS SYSTEM
GRANT NO. 0361
ENTERPRISE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the basis of accounting used to report grant revenues and allowable grant expenses. The difference between this basis of accounting and generally accepted accounting principles is that capital outlay is shown as an expense which is not in accordance with GAAP.

The City uses the accrual basis of accounting, as defined by generally accepted accounting principles, to record the grant in their accounting records. In applying the accrual basis, the grantee records revenues when they are earned and expenses are recognized in the period incurred.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board Grant:

Enterprise Fund: A proprietary fund type used to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Council intends that the department finance or recovers costs primarily through user charges; or (b) where the Council has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate.

c. Measurement Focus

Proprietary fund are accounted for on the flow of economic resources measurement focus.

MONTANA COAL BOARD
CITY OF HARDIN
SOLID WASTE COLLECTIONS SYSTEM
GRANT NO. 0361
ENTERPRISE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds for the purchase of solid waste collection system equipment for the City of Hardin.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by September 30, 1993.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0362 Ashland School District 32J/Elementary School Addition for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Ashland School District 32J pursuant to Grant No. 0362 between Ashland School District, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Ashland School District's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Ashland School District pursuant to Montana Coal Board Grant No. 0362 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 16, 1995

MONTANA COAL BOARD
ASHLAND SCHOOL DISTRICT 32J
ELEMENTARY SCHOOL ADDITION
GRANT NO. 0362
CAPITAL PROJECT FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 59,660
EXPENDITURES	
Capital outlay	59,660
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
ASHLAND SCHOOL DISTRICT 32J
ELEMENTARY SCHOOL ADDITION
GRANT NO. 0362
CAPITAL PROJECT FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Capital Project Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
ASHLAND SCHOOL DISTRICT 32J
ELEMENTARY SCHOOL ADDITION
GRANT NO. 0362
CAPITAL PROJECT FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds to purchase and install a new coal-fired boiler and storage transfer facility at the Ashland Elementary School.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by June 30, 1994.

(3) Submission of quarterly status and construction reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0363 Northern Cheyenne Tribe/High Compaction Refuse Truck for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the Northern Cheyenne Tribe pursuant to Grant No. 0363 between the Northern Cheyenne Tribe, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of the Northern Cheyenne Tribe's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of the Northern Cheyenne Tribe pursuant to Montana Coal Board Grant No. 0363 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 3, 1995

MONTANA COAL BOARD
NORTHERN CHEYENNE TRIBE
HIGH COMPACTION REFUSE TRUCK
GRANT NO. 0363
SPECIAL REVENUE FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 24,000
EXPENDITURES	
Capital outlay	24,000
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
NORTHERN CHEYENNE TRIBE
HIGH COMPACTION REFUSE TRUCK
GRANT NO. 0363
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Special Revenue Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
NORTHERN CHEYENNE TRIBE
HIGH COMPACTION REFUSE TRUCK
GRANT NO. 0363
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds to refurbish a used refuse truck, plus repaying a $3,000 loan from the sanitation budget and purchase canisters for the tribal solid waste collection system in Lame Deer.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by March 31, 1994.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The quarterly status reports required by the grant were all submitted late to the Coal Board Administrator after several reminder notices and calls were sent. The grantee was in compliance with all other significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0365 Powder River County/Rural Design Plan for the thirteen month period ended July 31, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Powder River County pursuant to Grant No. 0365 between Powder River County, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Powder River County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Powder River County pursuant to Montana Coal Board Grant No. 0365 for the thirteen month period ended July 31, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 4, 1995

MONTANA COAL BOARD
POWDER RIVER COUNTY
RURAL DESIGN PLAN
GRANT NO. 0365
SPECIAL REVENUE FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE THIRTEEN MONTH PERIOD ENDED JULY 31, 1994

REVENUE	
Montana Coal Board Grant	$ 7,613
EXPENDITURES	
Consulting services and capital outlay	7,613
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
POWDER RIVER COUNTY
RURAL DESIGN PLAN
GRANT NO. 0365
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JULY 31, 1994

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Special Revenue Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
POWDER RIVER COUNTY
RURAL DESIGN PLAN
GRANT NO. 0365
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JULY 31, 1994

2. PURPOSE OF GRANT

This grant provides funds to develop a rural design plan, purchase materials to construct a sculpture, and do a wall mural for the Town of Broadus and Powder River County to serve as a model for rural communities impacted by coal development.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by June 30, 1994.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0368 Treasure County/Sheriff's Department Patrol Car for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Treasure County pursuant to Grant No. 0368 between Treasure County, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Treasure County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Treasure County pursuant to Montana Coal Board Grant No. 0368 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 2, 1995

MONTANA COAL BOARD
TREASURE COUNTY
SHERIFF'S DEPARTMENT PATROL CAR
GRANT NO. 0368
SPECIAL REVENUE FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 4,360
EXPENDITURES	
Capital outlay	4,360
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
TREASURE COUNTY
SHERIFF'S DEPARTMENT PATROL CAR
GRANT NO. 0368
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Special Revenue Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
TREASURE COUNTY
SHERIFF'S DEPARTMENT PATROL CAR
GRANT NO. 0368
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds to purchase a 1994 patrol car and two mobile radios for the Treasure County Sheriff's Department.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by July 31, 1994.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0369 Richland County/County Road 107 Chip Seal for the seventeen month period ended November 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Richland County pursuant to Grant No. 0369 between Richland County, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Richland County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Richland County pursuant to Montana Coal Board Grant No. 0369 for the seventeen month period ended November 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 8, 1995

MONTANA COAL BOARD
RICHLAND COUNTY
COUNTY ROAD 107 CHIP SEAL
GRANT NO. 0369
SPECIAL REVENUE FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE SEVENTEEN MONTH PERIOD ENDED NOVEMBER 30, 1994

REVENUE	
Montana Coal Board Grant	$ 36,000
EXPENDITURES	
Purchased services	36,000
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
RICHLAND COUNTY
COUNTY ROAD 107 CHIP SEAL
GRANT NO. 0369
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Special Revenue Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
RICHLAND COUNTY
COUNTY ROAD 107 CHIP SEAL
GRANT NO. 0369
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
NOVEMBER 30, 1994

2. PURPOSE OF GRANT

This grant provides funds to complete asphalt levelling, chip-seal surfacing and centerline and shoulderline striping on County Road 107 in Richland County.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by September 30, 1994.

(3) Submission of quarterly status and construction reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The project was completed after the date specified in the grant document. The grantee was in compliance with all other significant grant requirements.

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0370 City of Roundup/Water Systems Analysis for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the City of Roundup pursuant to Grant No. 0370 between the City of Roundup, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of the City of Roundup's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of the City of Roundup pursuant to Montana Coal Board Grant No. 0370 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 9, 1995

MONTANA COAL BOARD
CITY OF ROUNDUP
WATER SYSTEMS ANALYSIS
GRANT NO. 0370
CAPITAL PROJECT FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 10,347
EXPENDITURES	
Capital outlay	10,347
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
CITY OF ROUNDUP
WATER SYSTEMS ANALYSIS
GRANT NO. 0370
CAPITAL PROJECT FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Capital Project Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
CITY OF ROUNDUP
WATER SYSTEMS ANALYSIS
GRANT NO. 0370
CAPITAL PROJECT FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

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2. PURPOSE OF GRANT

This grant provides funds for the preparation of Water, Sanitary Sewer System and Storm Water Management Master Plans for the City of Roundup.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by December 31, 1994.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements.

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Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0371 Roundup School Districts 55 - 55H/Educational Facilities Program for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of the Roundup School Districts 55 - 55H pursuant to Grant No. 0371 between the Roundup School Districts 55 - 55H, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of the Roundup School Districts's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of the Roundup School Districts 55 - 55H pursuant to Montana Coal Board Grant No. 0371 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 9, 1995

MONTANA COAL BOARD
ROUNDUP SCHOOL DISTRICTS 55 - 55H
EDUCATIONAL FACILITIES PROGRAM
GRANT NO. 0371
SPECIAL REVENUE FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 4,538
EXPENDITURES	
Contract services	4,538
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
ROUNDUP SCHOOL DISTRICTS 55 - 55H
EDUCATIONAL FACILITIES PROGRAM
GRANT NO. 0371
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Special Revenue Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
ROUNDUP SCHOOL DISTRICTS 55 - 55H
EDUCATIONAL FACILITIES PROGRAM
GRANT NO. 0371
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds to complete an Educational Facilities Program for the Roundup Public Schools.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by December 31, 1994.

(3) Submission of quarterly status reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements.

P.O. Box 3454
Bozeman, MT 59772
(406) 587-4727
Fax (406) 587-4754

Knaub & Company, P.C.
Certified Public Accountants

985 Technology Boulevard South, Suite 102

INDEPENDENT AUDITORS' REPORT

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the accompanying statement of grant revenues and expenditures of the Montana Coal Board Grant No. 0372 Musselshell County/Old Divide Road Reconstruction for the year ended June 30, 1994. This statement of grant revenues and expenditures is the responsibility of the grantee's management. Our responsibility is to express an opinion on the statement of grant revenues and expenditures based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of grant revenues and expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of grant revenues and expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared to present grant revenues and expenditures of Musselshell County pursuant to Grant No. 0372 between Musselshell County, grantee, and the Montana Coal Board, grantor, as described in Note 2, and is not intended to be a complete presentation of Musselshell County's revenues and expenditures.

In our opinion, the accompanying statement of grant revenues and expenditures presents fairly, in all material respects, the grant revenues and expenditures of Musselshell County pursuant to Montana Coal Board Grant No. 0372 for the year ended June 30, 1994, in conformity with the basis of accounting described in Note 1.

Knaub & Company, P.C.

May 9, 1995

MONTANA COAL BOARD
MUSSELSHELL COUNTY
OLD DIVIDE ROAD RECONSTRUCTION
GRANT NO. 0372
SPECIAL REVENUE FUND
STATEMENT OF GRANT REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1994

REVENUE	
Montana Coal Board Grant	$ 15,898
EXPENDITURES	
Contract services	15,898
EXCESS EXPENDITURES OVER REVENUE	$ -

See accompanying notes to financial statement.

MONTANA COAL BOARD
MUSSELSHELL COUNTY
OLD DIVIDE ROAD RECONSTRUCTION
GRANT NO. 0372
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statement has been prepared on the modified accrual basis of accounting, as defined by generally accepted accounting principles. In applying the modified accrual basis, the grantee records:

Revenues when it receives cash or when receipts are measurable and available to pay current period liabilities.

Expenditures for valid obligations when the department incurs the related liability and it is measurable.

b. Basis of Presentation - Fund Accounting

The grantee uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The grantee used the following fund to account for this Coal Board grant:

Special Revenue Fund: A governmental fund type used to account for purchase of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

c. Measurement Focus

The governmental fund type uses the flow of current financial resources measurement focus.

MONTANA COAL BOARD
MUSSELSHELL COUNTY
OLD DIVIDE ROAD RECONSTRUCTION
GRANT NO. 0372
SPECIAL REVENUE FUND
NOTES TO THE FINANCIAL STATEMENT
JUNE 30, 1994

2. PURPOSE OF GRANT

This grant provides funds for completion of the Project Design Cost Summary Phase of the proposed reconstruction and paving project on the Old Divide Road in Musselshell County.

3. GRANT REQUIREMENTS

(1) Submission of invoices, receipts, or certified contractors' reports.

(2) Completion by June 30, 1995.

(3) Submission of quarterly status and construction reports.

(4) Submission of project completion report.

4. COMPLIANCE FINDINGS

The grantee was in compliance with all significant grant requirements.

Knaub & Company, P.C.
Certified Public Accountants

P.O. Box 3454
Bozeman, MT 59772
(406) 587-4727
Fax (406) 587-4754

985 Technology Boulevard South, Suite 102

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the statement of grant revenues and expenditures/expenses of the various grantees of the Montana Coal Board for the year ended June 30, 1994 and certain other grant periods through November 30, 1994, and have issued our reports thereon dated May 1-16, 1995.

We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The various grantees and the Montana Coal Board are responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by administrative officials are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide the administrative officials with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use of disposition, and that transactions are executed in accordance with the administrative officials' authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audits of the financial statements of the various grantees of the Montana Coal Board for the year ended June 30, 1994 and certain other grant periods through November 30, 1994, we obtained an understanding of their internal control structures. With respect to the internal control structure, we obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable Conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial date consistent with the assertions of management in the financial statements.

Capital Equipment

The Montana Coal Board grant document has a provision that the grantees must comply with on the disposition of capital equipment. The Coal Board does not keep a separate list of the equipment purchased by the grantees with Montana Coal Board grant money, so it is difficult to test the grantees' compliance with this requirement.

Recommendation: The Coal Board Administrator should compile a list of capital equipment purchased by the various grantees. The list should include serial numbers (if available) of the equipment, grantees' inventory numbers (if they keep inventory numbers), date of purchase, purchase price and a description of the equipment. With this list in hand, the auditors can test compliance with this requirement when they are completing the audit fieldwork.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Legislative Audit Committee of the Montana State Legislature and the Montana Coal Board. However, this report is a matter of public record and its distribution is not limited.

Knaub & Company, P.C.

May 16, 1995

P.O. Box 3454
Bozeman, MT 59772
(406) 587-4727
Fax (406) 587-4754

Knaub & Company, P.C.
Certified Public Accountants

985 Technology Boulevard South, Suite 102

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL LAWS AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Legislative Audit Committee of
the Montana State Legislature and
the Montana Coal Board

We have audited the statement of grant revenues and expenditures of the various grantees of the Montana Coal Board for the year ended June 30, 1994 and certain other grant periods through November 30, 1994, and have issued our reports thereon dated May 1-16, 1995. We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Montana Coal Board is the responsibility of the Montana Coal Board's and the grantees' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Montana Coal Board and the grantees' compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the Montana Coal Board and the grantees complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Montana Coal Board and the grantees had not complied, in all material respects, with those provisions.

This report is intended for the information of the Legislative Audit Committee of the Montana State Legislature and the Montana Coal Board. However, this report is a matter of public record and its distribution is not limited.

Knaub & Company, P.C.

May 16, 1995

County of Yellowstone

FINANCE

(406) 256-2793

Box 35003
Billings, MT 59107

May 8, 1995

Knaub & Company, P.C.
985 Technology Boulevard, Suite 102
Bozeman, Montana 59715

Attn: Stefeni S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant #0338.

Please be advised that Yellowstone County does concur with your report.

Sincerely,

Scott Turner
Finance Director

Commissioners:
Joan K. Stahl
Mark Pinkerton
Duane C. Martens

Clerk & Recorder:
Geraldine Custer

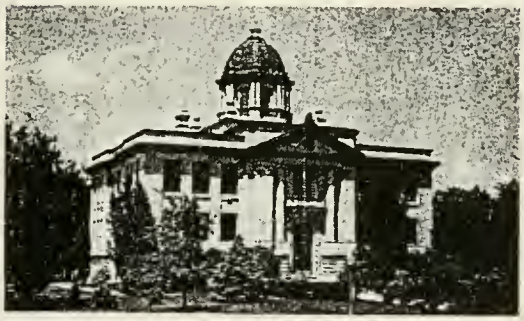
Treasurer:
Sharon Lincoln

Clerk of District Court:
Marilyn Hollister

Assessor:
Donna Kennedy

Rosebud County

P.O. Box 47
Forsyth, Montana 59327



Attorney:
Lee R. Kerr

Superintendent of Schools:
Sharyn Thomas

Justice of the Peace:
David J. Polley - Forsyth
Gail Beckham - Colstrip

Sheriff:
Kurt Seward

May 22, 1995

Knaub and Company
985 Technology Blvd, Suite 102
Bozeman, Mt. 59715

ATTN: Stefeni S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant #345.

Please be advised that Rosebud County, Montana, does concur with your report.

Sincerely,

Geraldine Custer

Geraldine Custer, Clerk & Recorder
Rosebud County, Montana

Lower Musselshell Conservation District
109 Railway East
Roundup, Montana 59072

May 24, 1995

Knaub & Company, P.C.
P.O. Box 3454
Bozeman, MT 59772

RE: Montana Coal Board Audit

To Whom It May Concern:

We are in receipt of your draft copy of the audit report as referenced above, Grant #601347.

Please be advised that Lower Musselshell Conservation District does concur with your report.

Sincerely yours,

Shirley Parrott

Shirley Parrott
Chairperson

as

County of Yellowstone

FINANCE

(406) 256-2793

Box 35003
Billings, MT 59107

May 8, 1995

Knaub & Company, P.C.
985 Technology Boulevard, Suite 102
Bozeman, Montana 59715

Attn: Stefeni S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant #0357.

Please be advised that Yellowstone County does concur with your report.

Sincerely,

Scott Turner
Finance Director

Commissioners:
Joan K. Stahl
Mark Pinkerton
Duane C. Martens

Clerk & Recorder:
Geraldine Custer

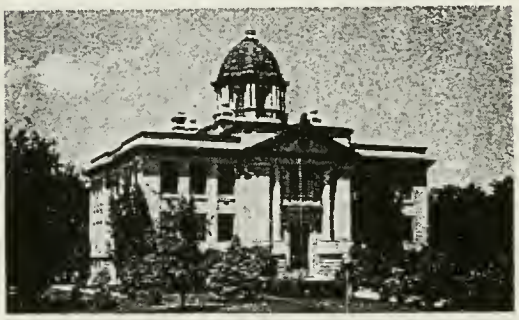
Treasurer:
Sharon Lincoln

Clerk of District Court:
Marilyn Hollister

Assessor:
Donna Kennedy

Rosebud County

P.O. Box 47
Forsyth, Montana 59327



Attorney:
Lee R. Kerr

Superintendent of Schools:
Sharyn Thomas

Justice of the Peace:
David J. Polley - Forsyth
Gail Beckham - Colstrip

Sheriff:
Kurt Seward

May 22, 1995

Knaub & Company
985 Technology Blvd, Suite 102
Bozeman, Mt. 59715

ATTN: Stefeni S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant #358.

Please be advised that Rosebud County, Montana, does concur with your report.

Sincerely,

Geraldine Custer
Rosebud County Clerk & Recorder

the City of Hardin

OFFICE OF: Finance Officer

406 NORTH CHEYENNE
HARDIN, MONTANA 59034

DATE: May 22, 1995

Knaub & Company, P.C.
985 Technology Blvd, Suite 102
Bozeman, MT 59715

Attn: Stefeni S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant No. 0361.

Please be advised that the City of Hardin does concur with your report.

Sincerely,

Nancy L. Young

Nancy L. Young
Finance Officer
City of Hardin

Ashland Public School

DISTRICT 32-J

Box 17
ASHLAND, MONTANA 59003
PHONE 784-2568

May 22, 1995

Knaub and Company, P.C.
P.O. Box 3454
Bozeman, MT 59772

Gentlemen:

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant No. 0362.

Please be advised that Ashland Elementary School District 32J does concur with your report.

Sincerely,

Steven Jessen
Clerk, Board of Trustees

- WOHEHIV -
The Morning Star

NORTHERN CHEYENNE TRIBE
INCORPORATED

P.O. Box 128

LAME DEER, MONTANA 59043

- WOHEHIV -
The Morning Star

June 12, 1995

Knaub & Company, P.C.
985 Technology Blvd. Suite 102
Bozeman, MT 59715

ATTN: Stefeni S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant #0363.

Please be advised that the Northern Cheyenne Tribe, Inc., does concur with your report.

Sincerely,

Charlene W. Alden

Charlene W. Alden, Treasurer
Northern Cheyenne Tribe

BOARD OF COUNTY COMMISSIONERS
POWDER RIVER COUNTY
PO Box 270
Broadus, Montana 59317

Victor L. Phillippi, Broadus
Nancy H. Espy, Broadus
Kyle Butts, Volborg

May 22, 1995

Knaub & Company, P.C.
985 Technology Blvd, Suite 102
Bozeman, MT 59715

ATTN: Stefeni S. Freese

We are in Receipt of your draft copy of the audit report relative to the Montana Coal Board Grand #365.

Please be advised that Powder River County does concur with your report.

Sincerely,

Signed: Victor L Phillippi

Date: 5-22-95

COUNTY COMMISSIONERS
~~M. E. "DICK" WOELICH~~ Joel Ottun
GEORGE CRAMER
OLE REDLAND

Telephone — 342-5547

~~LAVON ADAIR~~ Kay Rexford
County Clerk and Recorder/
Clerk of District Court

OFFICE OF
County Clerk & Recorder
OF TREASURE COUNTY
P.O. Box 392
HYSHAM, MONTANA 59038

Knaub & Company, P.C.
985 Technology Blvd, Suite 102
Bozeman, MT 59715

ATTN: Stefeni S. Freese

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant #368.

Please be advised that Treasure County does concur with your report.

Sincerely,

Signed: Kay Rexford

Date: 5-23-95

COUNTY OF RICHLAND
OFFICE OF
COUNTY COMMISSIONERS
201 W. Main (406)482-1706
SIDNEY, MONTANA 59270

County Commissioners
Warren E. Johnson
Dwight E. Thiessen
Bing C. Poff

Elmina J. Cook, Clerk

MAY 22, 1995

KNAUB & COMPANY, P.C.
P.O. BOX 3454
BOZEMAN, MT 59772-9971

ATTN: STEFENI S. FREESE

WE ARE IN RECEIPT OF YOUR DRAFT COPY OF THE AUDIT REPORT RELATIVE TO THE MONTANA COAL BOARD GRANT NO. 0369.

PLEASE BE ADVISED THAT RICHLAND COUNTY DOES CONCUR WITH YOUR REPORT.

RESPECTFULLY,

SIGNED: _____
WARREN E. JOHNSON, CHAIRMAN
RICHLAND COUNTY COMMISSION

DATE: MAY 22, 1995

ERALD BARTOW, President of Council
LLEN LEE, Clerk/Treasurer
IOLET OLSEN, Assistant Clerk
ARY THOMAS, Commissioner of Public Works
ICKI KNUDSEN, Attorney
OBERT MIHALOVICH, Police Magistrate
ONALD PICCHIONI, Fire Chief

ALMEDA MOORE, Mayor

City of Roundup

P.O. Box 656
Roundup, Montana 59072
Phone (406) 323-2804

ALDERMEN
CONNIE NESHEIM, 1st Ward
JAMES SCHLADWEILER, 1st Ward
GERALD BARTOW, 2nd Ward
ERNEST SATTERTHWAIT, 2nd Ward
JOYCE BREWER, 3rd Ward
WILLIAM EDWARDS, 3rd Ward
WILLIAM FUNK, 4th Ward
BRUCE HOILAND, 4th Ward

May 22, 1995

Knaub & Company, P.C.
P. O. Box 3454
Bozeman, MT 59772

Dear Sir:

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant No. 0370.

Please be advised that the City of Roundup does concur with your report.

Sincerely,

Ellen J. Lee

Ellen J. Lee
Clerk/Treasurer

Roundup Public Schools

LISA PEARCE
District Clerk
Phone 323-1507
FAX # 323-1927

School District No. 55 and 55-H
P. O. Box 717
Roundup, Montana 59072

J. JAY ERDIE
Superintendent of Schools
Phone 323-1507

ALLEN W. CHERY, Sr.
High School Principal
Phone 323-2402

JOSEPH P. INGALLS
Elementary Principal
Phone 323-1512

GARY F. RAY
Activities Director
Phone 323-2402

May 24, 1995

Knaub & Company, P.C.
985 Technology Blvd, Suite 102
Bozeman, MT 59715

Re: Draft auditor's report and Financial Statement

Dear Stefeni,

This District is in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant No. 371. We have reviewed the document and concur with your report.

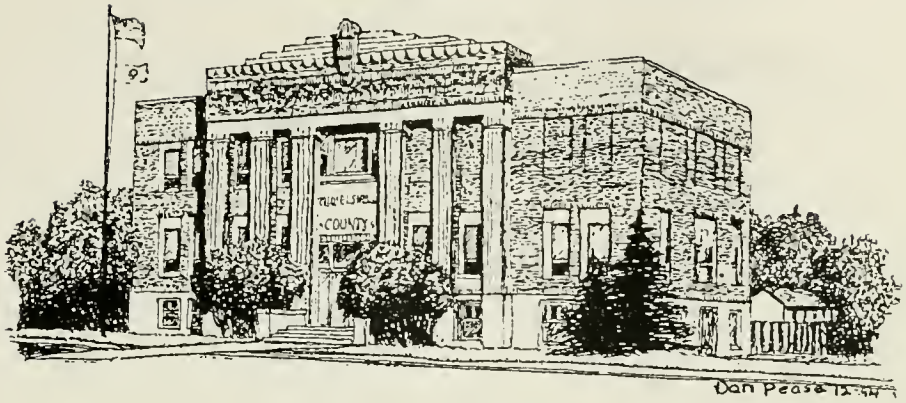
Sincerely,

Lisa Lewis Pearce

Lisa Lewis Pearce
District Clerk/Business Manager

MUSSELSHELL COUNTY

ELLY GEBHARDT
RYAN W. ADOLPH
UE M. OLSON
OUNTY COMMISSIONERS
06 Main Street
23-1104
ANE E. MANG
erk & Recorder
06 Main Street
23-1104
ARY C. NELSON
easurer
ept. of Schools
sessor
06 Main Street
23-2504
OHN J. RAE
roner



G. PAUL SMITH
Sheriff
820 Main Street
323-1402
JOHN BOHLMAN
County Attorney
506 Main Street
323-2230
DONA C. ROBSON
Clerk of District Court
P.O. Box 357
323-1413
ROBERT M. MIHALOVICH
Justice of the Peace
P.O. Box 656
323-1078
PHILIP W. RICHMOND
Public Administrator

ROUNDUP, MONTANA 59072

May 26, 1995

Knaub & Company, P.C.
P.O. Box 3454
Bozeman, MT 59772

We are in receipt of your draft copy of the audit report relative to the Montana Coal Board Grant No. 372.

Please be advised that Musselshell County does concur with your report.

Sincerely,

Musselshell County Commissioners

Kelly Gebhardt

Kelly Gebhardt, Chairman

MONTANA
DEPARTMENT OF COMMERCE

Local Government Assistance Division
1424 9th Avenue PO Box 200501
Helena, MT 59620-0501

Phone: (406) 444-3757
FAX: (406) 444-4482
TDD: (406) 444-2978

June 12, 1995

Office of the Legislative Auditor
Room 135, State Capitol
Helena, MT 59620

The Montana Coal Board passed a unanimous motion at its June 9, 1995 meeting in Billings to concur in the findings of the audit report conducted by Knaub and Company of Coal Board grants for the year ending June 30, 1994 and certain other grant periods through November 30,1994.

Sincerely,

Murdo A. Campbell
Administrative Officer
Montana Coal Board